

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 737
Version:	CCR
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Bill Analysis

SB 737 prohibits any pharmacy benefits manager from engaging in the practice of spread pricing as defined in the measure and from charging a pharmacist or pharmacy certain fees outlined in the measure as they relate to participation in a retail pharmacy network. Additionally, PBM's must disclose to insurers, self-funded employers, unions or other PBM clients the existence of the respective aggregate prescription drug discounts, rebates received from drug manufacturers, and pharmacy audit recoupments. PBM's must also provide the Insurance Commissioner with certain data pertaining to pharmaceutical manufacturer and provider contracts, plan utilization data, plan pricing data, pharmacy utilization data, and pharmacy pricing data. Such reports to the Commissioner shall occur on a quarterly basis.

The measure empowers the Insurance Commissioner to suspend or revoke a benefits manager's license and to censure such managers for any violation relating to the Patient's Right to Pharmacy Choice Act, the Pharmacy Audit Integrity Act, or other relevant statutes. The Commissioner may assess an administrative fine on top of any other fines levied against a manager ranging from \$100.00 to \$10,000.00. Each day that a PBM operates without a license from the Insurance Department shall be deemed a violation of the Patient's Right to Pharmacy Choice Act. Hearings conducted by the Commissioner for such violations shall be public and held in accordance with the Administrative Procedures Act.

CCR Changes

The Conference Committee Report for SB 737 adds language relating to providing the Insurance Commissioner with information relating to contracts, plan utilization, plan pricing, pharmacy utilization, and pharmacy pricing data. The CCR also removes language relating to the Patient's Right to Pharmacy Choice Advisory Committee.

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